

STATE OF ARKANSAS
EXECUTIVE DEPARTMENT
PROCLAMATION

EO 00-06

TO ALL TO WHOM THESE PRESENTS COME — GREETINGS:

AN EXECUTIVE ORDER ESTABLISHING ARKANSAS' SUPPORT OF THE MISSION OF THE STREAMLINED SALES TAX PROJECT AND ARKANSAS' COMMITMENT TO PARTICIPATE IN INTERSTATE DISCUSSIONS TO DEVELOP MEASURES TO DESIGN, TEST AND IMPLEMENT A SALES AND USE TAX SYSTEM THAT RADICALLY SIMPLIFIES SALES AND USE TAXES.

WHEREAS, a simplified sales and use tax system would reduce the administrative burden on businesses; and

WHEREAS, local Arkansas businesses are currently required to collect sales tax from Arkansas customers on the sale of non-exempt tangible personal property; and

WHEREAS, some out-of-state ("remote") sellers do not collect tax on the sale of non-exempt tangible personal property to Arkansas customers; and

WHEREAS, collection of Arkansas use tax by remote sellers would put remote sellers on a level playing field with local Arkansas businesses; and

WHEREAS, the sale of non-exempt tangible personal property is already taxable to Arkansas citizens whether purchased from local Arkansas businesses or from remote sellers; and

WHEREAS, the ability of out-of-state remote sellers to sell non-exempt items without collecting and reporting use tax gives the remote sellers an unfair advantage over local Arkansas businesses; and

WHEREAS, the ability of remote sellers to sell non-exempt items to Arkansas residents without collecting and reporting use tax has resulted in reduced sales by local businesses; and

WHEREAS, the ability of remote sellers to sell non-exempt items to Arkansas residents without collecting and reporting use tax has resulted in the loss of state and local sales tax revenue; and

WHEREAS, the Streamlined Sales Tax Project is an effort by states to create a more uniform and simplified sales tax system so that remote sellers will collect the Arkansas use tax; and

WHEREAS, appropriate executive action is necessary to allow Arkansas to be a participating state in the Streamlined Sales Tax Project;

NOW, THEREFORE, I, Mike Huckabee, acting under the authority vested in me as Governor of the State of Arkansas, do hereby order that:

(1) The State of Arkansas supports the mission of the Streamlined Sales Tax Project and is committed to simplifying the sales and use tax system for all taxpayers.

(2) The Director of the Department of Finance and Administration shall designate a representative to participate in the Streamlined Sales Tax Project. The designated representative shall have the authority to vote on behalf of the State of Arkansas. The Director shall name an alternate representative who may vote in the absence of the representative.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Arkansas to be affixed at the Capitol in Little Rock on the 9th day of August in the Year of our Lord, two thousand.



GOVERNOR MIKE HUCKABEE

SECRETARY OF STATE SHARON PRIEST